

Can Trump Halt China's Rise to the Top?



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On September 26, the plain speaking president of the United States, Donald Trump, attacked China with personal animus at the United Nations Security Council. As the Chinese Foreign Minister looked on and shrugged, Trump unleashed a tirade against Beijing for meddling "against my administration" in the upcoming US Congressional elections. The motive, he claimed, was that "they do not want me or us to win because I am the first president to ever challenge China on trade." Later, he alleged that China was spreading "propaganda" in the American media against him "because we are beating them on trade." Trump's in-your-face behaviour has shocked both friends and foes of the US and it is well proven that he is an insurgent street fighter who thrives on poking other nations in the eye. But the crucial question is whether or not he packs a punch in terms of policy and strategy to pressurise and stop China's ascent to number one status in the international system. Is Trump really a tough nut nemesis of China or a blowhard paving the way for China to overtake the US? Will his reign revitalise America to stay ahead of China or is his 'America First' philosophy inadvertently 'making China great again'? The answers lie in a measured assessment along four dimensions of international power, viz. economic, geopolitical/military, diplomatic/institutional and ideological.

Winning the Trade War

China is facing tangible pressure from Trump on the economic front. The neo-mercantilist American leader, who believes that trade deficits imply that the US is losing while trade surpluses mean the US is winning, has slapped tariffs on \$250 billion worth of Chinese exports. He has threatened to "immediately" impose tariffs on an additional \$267 billion, i.e. all 100 percent of Chinese exports to the US, unless China changes its "unfair practices and gives fair and reciprocal treatment to American companies." Further, Trump is demanding that Beijing end its controversial 'Made in China 2025' industrial policy for global domination in hi-tech manufacturing fields through massive state subsidies.

So far, the hyper-nationalistic Chinese have not blinked and are retaliating with tariffs on US exports to China. Targeted Chinese tariffs which hurt local economies in Republican Party-ruled states of the US have visibly riled Trump as he risks blow-back from his own white working class voting base before legislative elections. A senior Communist Party adviser, Lou Jiwei, has argued that China can damage the US more by restricting the supply of intermediate goods on which American domestic manufacturers rely. Enraged Chinese nationalists are suggesting that their government should squeeze American investors in the vast Chinese domestic market and make life hell for them if Trump keeps harassing China on trade. But in spite of China's steely willingness for tit-for-tat war, the fact remains that it has more to lose than the US from battling Trump. Total Chinese exports to

the US amount to \$517 billion, while the US exports only \$130 billion to China. Morgan Stanley estimates that the US might forfeit 0.2 percent of its GDP growth as a result of the trade war with China, while the editor of the Chinese Communist Party's mouthpiece Global Times, Hu Xijin, has admitted that China's growth rate might slow down by up to 1 percent. Hu is defiant that "we can accept" these losses which are "not terrible for us", but the Communist Party sets GDP targets zealously and cannot afford a slump which could hamper its dictatorial hold over Chinese society. Stimulus packages by the government to boost domestic consumption and reduce dependence on trade may help mitigate the worst impact of Trump's economic war on China, but again, 19 percent of China's GDP comes from exports and the adjustment pains will not be easy.

"The advocacy and soft power lead which the US enjoyed over China until Obama was in office is now dissipating. US' favourability around the world had shrunk drastically"



Quiet, face-saving accommodation of at least some of the American demands on trade may thus be inevitable for China. Trump could claim he is winning the trade war against China, and for once, his boast may not be completely fake.

Losing the Geopolitical Contest

China's assertive and combative foreign policy under President Xi Jinping is most obvious in the military and geopolitical domains, and it is in these arenas that Trump is being trumped by China. Beijing's ambitious defence spending of approximately \$250 billion per annum and its multipronged pursuit of pushing the US military out of the Indo-Pacific maritime region has already upended the balance of power in Asia

against Washington. The head of the US Indo-Pacific Command, Admiral Philip Davidson, is on record that "China is now capable of controlling the South China Sea in all scenarios short of war with the United States." China's deployment of sophisticated anti-ship missiles and the advancement of its 'A2/AD' (Anti-Access Area Denial) naval strategy to prevent the US military from intervening for long enough until China establishes a fait accompli have unsettled American military planners and conveyed signals to countries in East Asia that China is the decisive force. The ease with which China commandeered the Scarborough Shoal from the Philippines as the US watched passively, and the rapid speed with which China has dredged over 3200 acres of artificial islands in the South China Sea and converted many of them into de facto military bases, leave no doubts that China has muscled itself into an favourable position vis-à-vis the US. Notwithstanding recent warnings to Beijing from the US Vice President Mike Pence that the US military "will not be intimidated" and "will not stand down" in the South China Sea, Xi's China is displaying self-assurance based on its relative military upper hand.

It is true that Trump is raising American defence expenditure in keeping with his National Security Strategy goal of facing "long-term strategic competition" from China and Russia. But China has an edge here as its primary sphere of influence and military operations is the Indo-Pacific, while the US remains thinly stretched due to its global commitments in Asia, the Middle East and Europe. Trump's obsessive antagonism toward Iran and the ever-present clouds of war and terrorism over the Middle East which tied down the US in that troubled region leave room for China to metastasize across Asia. The Chinese strategist Wang Jisi has astutely noted that "despite labeling China as the United States' principal rival, the Trump administration has fixed its attention on the world of disorder (especially the Middle East and

North Korea), and that shouldn't change." Xi Jinping is also getting a free pass from Trump on geopolitical competition because of the latter's failure to shore up the US alliance system in Asia. Trump's indiscriminate trade war and tightfistedness towards allies and strategic partners have weakened the web of friends with which the US used to try and contain China's rise in previous administrations. Trump's allergy for multilateralism and his inability to look at key Asian countries like Japan, South Korea, India, Vietnam and Indonesia as part of a bigger strategic counterbalancing coalition against China have unshackled Xi and sowed doubts into the minds of countries



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which had earlier banked on American backing to resist Chinese inducements and threats. The phenomenon of weakening US alliance bonds had started during President Barack Obama's tenure but is booming under the isolationist and transactional Trump. China is loving this trend.

Abandoning the Diplomatic/Institutional Realm

Trump's flat rejection of "globalism" and embrace of narrow "patriotism" is another factor benefiting China as it seeks the mantle of world leadership. Xi's triumphant posturing at international forums as the new champion of multilateral cooperation and his contrasting of China as a constructive 'good guy' on the world stage presents a perfect foil to Trump's image of an 'ugly American' with a mean attitude.

China's narrative is that it is spearheading 'globalisation 2.0' through 'inclusive' mega connectivity corridors like the Belt and Road Initiative (BRI). It amounts to redesigning the world's diplomatic and institutional architecture while Trump is withdrawing the US into a corner for bilateral hardball bargaining to win short-term gains. When Trump pulled out the US from the Trans Pacific Partnership (TPP) trade agreement immediately after being sworn in as president, China celebrated as this coalition had been put together by Obama to isolate China. Beijing is evidently relieved to see that the US under Trump has neither the generosity nor the resources to compete with it in trade agreements, development assistance, foreign aid and connectivity corridors. The excess capacity that China has accumulated in manufacturing and construction is so vast that it can literally remake the entire developing world to suit its geopolitical goals even as the US steps aside as a bystander. For decades, the US had posed as a do-gooder which economically and militarily stabilised Latin America, Africa and Asia. It cultivated ties with elites and citizens in poor nations and determined their fates through Bretton Woods lending institutions. Today, that swagger has disappeared. There is only one big money-spinner in sight: China.

Slipping in the Ideological Tussle

Trump is a blessing in disguise for China at the level of ideational struggle too. The liberal democratic values with which the West used to anoint itself as morally superior to authoritarian China and Russia are themselves imploding. Liberal free markets and cosmopolitan discourses about a 'borderless' and interdependent world may have gener-



ated prosperity in the West at one time, but they are increasingly being blamed as unjust and unfair since the economic crisis began in 2008. Trump capitalised on this illiberal sentiment to win the 2016 presidential election and, since assuming office, has deleted promotion of democracy and human rights abroad as a US foreign policy principle. The advocacy and soft power lead which the US enjoyed over China until Obama was in

thing in world affairs." With democracy regressing internationally, the China model of a long-horizon authoritarian developmental state is inspiring and incentivising poorer countries. China's ascent and vastly expanding influence in the Global South, contrasted with the troubled and inwardly-focussed Western democracies, are indicators for developing nations as to which way the wind is blowing. It is premature to declare liberal democracy dead in the water. Comebacks do happen in history. But the founder of China's state-guided capitalism, Deng Xiaoping, sounds far more prophetic today than the American scholar Francis Fukuyama, who had launched the doctrine of Western liberal domination in the 1990s but is now chastened by democracy's decline. Of course, there are limits to how far and deep the 'Beijing Consensus' will penetrate. Blowback to Chinese hegemonic conduct and debt trap diplomacy is emerging. But Xi Jinping has a distinct advantage as he seeks to fulfil his 'Chinese dream' of prosperity at home and influence abroad. There is no global equivalent to China in economic, institutional and diplomatic capabilities anymore. In Asia, the military deterrent to China is also diminishing. Except the injury that Trump is inflicting through his trade war, the rest of his actions and policies are enabling rather than disabling China. It would be a mistake to get carried away by Trump's aggressive tone and pugilistic style of rhetorically punching China. A thorough evaluation of his record shows that he has been more bark than bite, and Beijing is thankful for it. To conclude with the Chinese scholar Xu Guoqi, Trump is "a gift for the current regime in China. Because of Trump, Xi Jinping's Chinese Dream could be achievable now" ●

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US exports to China

office is now dissipating. A survey by the Pew Research Center in 2017 showed that the US' favourability around the world had shrunk drastically and is now practically equal to that of China. Another Pew opinion poll in 2018 puts Xi ahead of Trump by 7 percent in global confidence "to do the right